

Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 INT-08 SCEM-02 SPC-03 AID-20 EB-11

NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07

OPIC-12 LAB-06 SIL-01 DODE-00 PA-04 USIA-15 PRS-01

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E.O. 11652: N/A

TAGS: ENRG VE

SUBJ: PETROLEUM ASPECTS OF PRESIDENT CALDERA'S NEW YEAR'S ADDRESS

SUMMARY. PRESIDENT CALDERA'S REMARKS ON PETROLEUM IN HIS NEW YEAR'S SPEECH STRESSED DESIRABILITY OF EARLY REVERSION. ALSO EMPHASIZED WAS NEED TO USE PETROLEUM AS AN INSTRUMENT TO ACHIEVE VENEZUELAN ECONOMIC POLICY AIMS. HOWEVER, CALDERA ALSO POINTED OUT THAT, IN CONSIDERING THE USE OF PETROLEUM AS A WEAPON, HIS GOVERNMENT HAD CAREFULLY AVOIDED ANY ACTIONS THAT WOULD HAVE DIMINISHED OIL SUPPLY TO TRADITIONAL CUSTOMERS DURING OIL CRISIS. CALDERA ALSO SPOKE OF DESIRABILITY OF OIL PRODUCING COUNTRIES AND OIL IMPORTING COUNTRIES GETTING TOGETHER IN COMMON FORUM TO DEAL WITH ALL ASPECTS OF THEIR RELATIONS. END SUMMARY.

1. IN THE COURSE OF A LENGTHY NEW YEAR'S ADDRESS, WHICH DEVOTED MAINLY TO REVIEWING ACCOMPLISHMENTS OF HIS
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ADMINISTRATION (SEPTTEL), PRESIDENT CALDERA TOUCHED ON

SUCH OIL POLICY MATTERS AS: EARLY REVERSION; USE OF OIL AS A WEAPON; AND VENEZUELA'S STATUS AS A RELIABLE SUPPLIER DURING CURRENT EMERGENCY.

2. RE EARLY REVERSION, CALDERA SAID, "I AM CONVINCED THAT MOVING FORWARD REVERSION IS IN ALL RESPECTS DESIRABLE AND EVEN NECESSARY." HE SAID THAT STUDIES ARE NOW UNDER WAY ON EARLY REVERSION AND THAT "ON NEXT CONGRESS WILL FALL RESPONSIBILITY OF ADOPTING NECESSARY LEGISLATIVE MEASURES." CALDERA EXPRESSED CONFIDENCE THAT CONGRESS WOULD CARRY OUT THIS TASK WITH THE SAME DECISIVENESS WITH WHICH IT APPROVED GAS NATIONALIZATION LAW, REVERSION LAW, AND INCOME TAX AMENDMENTS AFFECTING PETROLEUM REVENUES.

3. RE OIL SUPPLY AND USE OF OIL AS A WEAPON, CALDERA SAID, "AT THIS MOMENT WHEN OIL HAS BECOME A POWERFUL WEAPON IN HANDS OF WEAK COUNTRIES... VENEZUELA HAS HONORED ITS POSITION AS A TRUSTWORTHY SUPPLIER, AND HAS NOT TAKEN MANOEUVRES TO DIMINISH SUPPLIES TO OUR TRADITIONAL BUYERS." CALDERA SAID OBJECTIVES TO BE OBTAINED BY USING OIL AS AN INSTRUMENT INCLUDE NOT ONLY JUST PRICES BUT ALSO ACCESS TO MARKETS AND TECHNOLOGY.

4. CALDERA ALSO DISCUSSED AN IDEA WHICH HE CLAIMS TO HAVE LAUNCHED SEVERAL YEARS AGO FOR JOINT ACTION BY OIL PRODUCING AND OIL CONSUMING COUNTRIES. HE SAID, "OIL EXPORTING COUNTRIES AND IMPORTING COUNTRIES SHOULD SIT DOWN AT ONE TABLE IN ORDER TO DEAL FRANKLY WITH ALL ASPECTS OF THEIR RELATIONS." HE NOTED THAT THIS IDEA HAD FALLEN ON DEAF EARS WHEN PROPOSED BUT NOW THAT HE THINKS IT IS COMING CLOSE TO FRUITION AND THAT FROM SUCH A DIALOGUE WILL FLOW RECOGNITION OF VENEZUELA'S RIGHTS.

MCCLINTOCK

NOTE BY OC/T: NOT PASSED.

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